

## Trademark Infringement in the Internet

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### ABSTRACT

This article examines cases of violation of trademark rights in the Internet, their extent and types. The ever-increasing usage of internet and prevalence of online infringements as a result are highlighted by the author as an inevitable phenomenon of globalized world. The article lists the factors that courts take into account when considering claims related to infringement of trademark rights in the Internet. In addition, some real cases are analyzed and brought as examples of trademark infringements and the means of protection of rights for trademark are mentioned.

**Keywords:** counterfeit goods, trademark, confusion, domain names, cyber squatting, online infringer.

The commercial use of the Internet has soared during last two decades, transforming the web system from a search tool into a global marketplace capable of serving millions of users simultaneously around the world. As a result, many companies are positioning themselves to offer their products and services over the Internet in order to enter the market.

The absence of territorial restrictions, as well as the anonymity opportunities it offers has created conditions for intellectual property infringements that are new in both nature and scope. Almost all categories of counterfeit or pirated goods are sold or used online, whether through legitimate channels such as online auction platforms or via sites that advertises their illegal nature. Huge amounts of copyrighted content in digital form, including software, music, movies, electronic games and text, are also distributed on the Internet without the consent of the copyright holders through special websites or file sharing networks.

The protection of intellectual property rights in relation to such activities raises a number of legal issues. From an international perspective, the 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) contains the most comprehensive set of rules relating to the enforcement of intellectual property rights. While a number of the standards set out in this document apply equally to the offline and online dimension of IPR enforcement, Internet infringement poses some very specific barriers to effective enforcement that are not addressed in either the TRIPS Agreement, nor in any other global convention.

Trademark infringement occurs when someone uses a mark that looks similar to another, which creates the possibility of confusion, error, or deception on the part of customers. In the case of trademark infringement on the Internet, it can exist in various forms, as following:

1. Online auction sites for trademark infringement.
2. Selling trademarks as keywords in search engines.
3. Trademark infringement in virtual worlds and social networks.

#### 4. Trademark and domain name infringement

*Online auction sites for trademark infringement.* It are an online auction that enhances the retailer's ability to reach multiple consumers. However, buyers may risk not having genuine goods that the seller has brought to the sites. For example, trading on eBay or Amazon, which has caused a lot of controversy between brand owners and auction sites?

*Selling trademarks as keywords in search engines.* Typically, online searches are present in results that are "natural results" and "sponsored links". Natural results are revealed by search engines that relied on "meta tags". Sponsored links appear because certain websites pay a commission to the search engine for their links to appear after keywords are entered.

Difficulties arise when one advertiser bids on a keyword that is a trademark of a third party. A user performing a search may see an advertising link from a competitor of that brand, leading to consumer confusion.

Google: Advertisers bid on certain keywords and Google charges per click.

*Trademark infringement in virtual worlds and social networks.* (Virtual world: focus on the "second life") It contains many types of online social communities, allows the user to create content that can be sold to other users and exchanged for real currency. This is how real life brands are created in the second life, while at the same time real advertising and the risk to digital content that users can create and sell violates the trademarks of real brands.

Ever since Face book launched "Vanity URLs", the unauthorized use of marks has raised the risk for brand owners, leading to consumer confusion. Another social network, Twitter, carries a risk when people tweet about a particular brand, which may mislead other users about the permitted and unauthorized nature of their use of the mark.

*Trademark and domain name infringement.* This occurs when a domain name was identical or confusingly similar to a well-established trademark of a company with no rights or legitimate interests, but was registered and used in bad faith.

As the popularity of the Internet grows, companies have realized that having a domain name that is the same as a company or product name can be an important part of setting up an Internet presence. To obtain a domain name, the application must be submitted to the appropriate registrar. However, when companies try to get the domain name they want, they may find that the domain name they want has already been obtained. When this happens, the company may choose another name or struggle to get the domain name they really want.

In domain name disputes, a party seeking to obtain a domain name usually relies on their trademark rights. In most cases, the domain name was the same as the company's well-established trademark. However, this fact alone is not sufficient to prove the accusation of infringing the trademark.

As a rule, when someone has registered a domain name with a different trademark and offers to sell it to the real owner for a higher price, this is called "cyber squatting", one of the "gray" methods of making money on the Internet. Cyber squatting is defined as the registration of a domain name in violation of the rights of third parties for the purpose of gaining profit or other benefits.

A similar violation is considered "domain grabbing" - the deliberate registration by a person of many domain names for their resale or to limit the activities of competitors. The simplest

scheme of cyber squatting and domain grabbing looks like this: study the market, “estimate” how popular a certain name will be in the future, register such a name for yourself, then lay low and wait for a buyer who is ready to purchase a domain name or is forced to do so.

According to G. Weiswasser, there are two main types of infringements that are relevant to a trademark and domain name dispute:

- Firstly, a violation that causes the likelihood of confusion, which is more common type. it is a burden of the plaintiff who has to prove that the defendant's mark is so similar to his own mark that the use of the defendant's mark in trade could lead to consumer confusion as to the source of the goods to win a case in a likelihood of confusion case;

A court assessing a claim of likelihood of confusion will consider a number of factors, none of which is decisive in itself. These factors include:

- ✓ strength or weakness of marks;
- ✓ similarity of appearance, sound and meaning of signs;
- ✓ similarity of the considered goods;
- ✓ intent or dishonesty of the defendant in the use of a similar mark;
- ✓ Proximity of advertising, marketing channels and sales channels for goods;
- ✓ sophistication of consumers of goods;
- ✓ And actual evidence of consumer confusion.

These factors are not exhaustive; any evidence that the mark has affected the overall impression made by the potential purchaser of the product is relevant in determining the likelihood of confusion between the two marks.

- Secondly, an infringement that reduces the value of a trademark which is called trademark dilution, "reducing the ability of a well-known mark to identify and distinguish goods or services," is another form of infringement that is prohibited by law in many countries. The dilution law protects against diminishing the distinctive character of the mark and does not require the likelihood of confusion. It has traditionally been recognized that blurring occurs in two ways: by blurring the sign's product identification, or by tarnishing the positive associations that the sign is supposed to convey. “Blurring is “the diminution of the selling power of an established trademark through its unauthorized use by others when using dissimilar products.” Dilution by tarnishing usually occurs when the complainant's mark is associated with lower quality goods or is depicted in an unhealthy or questionable context. Blurring can also be detected by changing the sign.

In trademark infringement cases, how the infringer is identified is the most arduous part of the case. The level of anonymity that the Internet provides to its users poses an immediate enforcement challenge for rights holders, as the identification of an infringer must be the first step in any enforcement action.

The problem is that in the digital space, the goods and the seller are not physically present, so it is much more difficult to stop online trademark infringement than offline. The most common violations of rights: stores use their trademarks without the consent of brand owners to promote their services and competitors' products, sell counterfeit goods or gray imports.

These violations have become widespread because consumers on the Internet do not have the opportunity to directly see the product, as well as to identify the seller and manufacturer until the moment of purchase. Unscrupulous online stores choose domain names and social media page names that are similar to the names of the original brands and manufacturers. Practice shows that the largest percentage of court refusals to protect rights is due to the fact that the right holder missed the opportunity to collect the necessary evidence in a timely manner.

The information needed to identify an online intruder can often only be obtained from the appropriate Internet Service Provider, who can map the appropriate internet protocol address of the computer used on the network to the individual subscriber. But internationally, there are no agreed rules as to whether or not an ISP is required to disclose a subscriber's identity or other related information. The TRIPS Agreement (Article 47) includes an optional provision that deals with the right to information in connection with civil proceedings. However, this is limited to information that the infringer must himself disclose and does not extend to disclosure by third parties. Meanwhile, the approaches of national laws differ.

The domain name is not an object of exclusive right and is not independently protected. But the courts take into account the moment of registering a domain name and starting to use the controversial site. Therefore, the copyright holder first of all needs to check when the domain name and online store began to be used by a competitor. He can access the public electronic domain verification service, website archiving services, as well as the history of the online store page in the social network.

In the case of gray imports, the most effective protection is the initial entry by the right holder of his trademark in the Customs Register of Intellectual Property Objects. In the event of an attempt to import goods marked with a trademark, the customs authorities suspend the import of such goods and notify the right holder about it. At the same time, most of the evidence necessary for protection will already be provided by the customs authorities and the right holder will have to apply to the court in a timely manner.

A likelihood of confusion casaba Professional Products Ltd and Bagi Professional Cleaning Products Ltd filed a lawsuit against Chemlife LLC to prohibit the use of the bagi designation, which is confusingly similar to the company name of the companies, as well as to their trademarks, on the Internet, in including in the domain name bagi.ru. The claims were partially satisfied by the decision of the first and appeal instances. The court banned Chemlife LLC from using the designation bagi, which is confusingly similar to the trademark of the plaintiffs, on the Internet, including on the bagi.ru resource, in relation to certain goods. The rest of the claim was denied with reference to the defendant's right to a trademark registered in relation to other goods. Reference was made in the complaint to Art. 10.bis of the Paris Convention for the Protection of Industrial Property and for signs of unfair competition in the defendant's actions. The court, however, refused to satisfy the cassation complaint. The main motive for refusal was the defendant's opposed right to his trademark, which is valid for a number of goods. Another reason for the refusal was given with reference to fact that if a domain was registered before the date of registration and priority of the trademark and there are no signs of bad faith in the actions of the domain owner, the protection of exclusive rights to a trademark may be denied. In the totality of the circumstances of this case, the court found that the defendant had a legitimate interest in using the domain name.

Also, violations of copyright to trademarks are often classified as trademark infringements in

general. For instance, sale of goods with the image of other people's characters. Almost all famous characters are registered as trademarks; they cannot be used in products without the permission of the right holder. The example is amply illustrated by the precedent in which an entrepreneur so-called Korolev S.A. sold toys depicting characters from the Three Cats cartoon. The copyright holder of the mascots is the Network of Television Stations JSC. All characters are registered as trademarks, the copyright holder achieved in entrepreneur's payment compensation in favor of the Network of Television Stations JSC, a ban on the use of characters.

All these situations are different, but they are united by one thing - violation of exclusive rights to trademarks. Various efforts have been made - in the context of new legislation and a large number of court decisions - to balance such a right to information with conflicting interests, such as protecting the confidentiality of information sources or personal data. The European Union Directive (2004/48/EC of April 29, 2004) on the protection of intellectual property rights can also help to harmonize the situation between EU countries by establishing in principle this kind of right to information in relation to certain third parties.

As commercial use of the Internet skyrockets, Internet domain name addresses are becoming more and more an integral part of businesses hoping to attract customers with their established trademarks. The number of legal battles that have resulted from this trend is a strong indication of the need for a well-articulated policy governing the registration and assignment of domain names. In addition, the close resemblance of Internet domain name addresses to more traditional trademarks—both in their intrinsic value to their owners and in the purposes they serve—requires the application of traditional trademark doctrines to determine whether domain names may infringe copyright. Rights and indeed whether they violated existing trademarks. Courts facing domain name infringement disputes should be encouraged to refer to traditional trademark law principles for guidance in resolving such disputes.

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